



2006-268.E

194692
526 S. Church St.
Charlotte, N. C. 28202

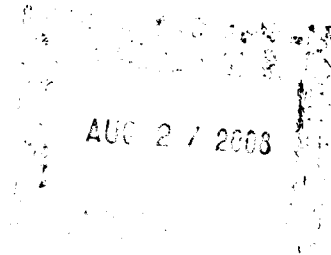
Carol E. Shrum, Vice President

Duke Energy Carolinas
EC12K / P.O. Box 1006
Charlotte, N. C. 28201-1006

704 382-9826

704 382-4671 fax

August 26, 2008



The Honorable Charles Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

Dear Mr. Terreni:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC for the twelve months ending June 30, 2008. Please feel free to call me at (704) 382-9826 or Phil Stillman at (704) 382-8070.

Yours truly,

Carol E. Shrum
Rates & Regulatory Accounting

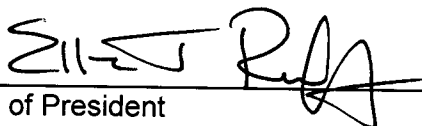
Enclosure

cc: Mr. Dukes Scott
Executive Director
Office of Regulatory Staff

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Signature of President

Ellen T. Ruff

Typed or Printed Name of Person Signing

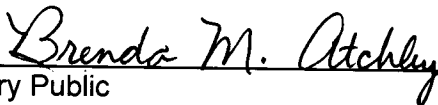
President, Duke Energy Carolinas

Title

08/25/08

Date Signed

Subscribed and sworn to before me this 25th day of August, 2008.



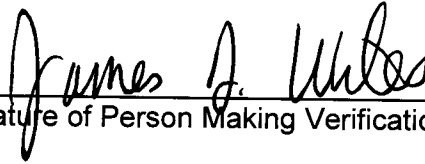
Notary Public

My Commission Expires: December 4, 2009

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Signature of Person Making Verification

James D. Wiles

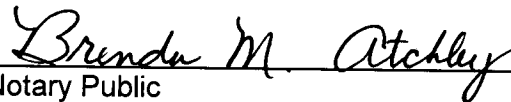
Typed or Printed Name of Person Signing

VP, Franchised Electric and Gas Accounting
Title

08/25/08

Date Signed

Subscribed and sworn to before me this 25th day of August, 2008.



Notary Public

My Commission Expires: December 4, 2009

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjs (a) (Col. 3)	As Adjusted (Col. 4)
1	Electric operating revenue	\$5,971,422		\$1,394,456	(\$1,373)	\$1,393,083
	Electric operating expenses:					
	Operation and maintenance:					
2	Fuel used in electric generation	1,598,963		382,121	(246)	381,875
3	Purchased power and net interchange	226,358		40,640	(16)	40,624
4	Wages, benefits, materials, etc.	1,543,818		391,740	220	391,960
5	Depreciation and amortization	853,854		185,366	7,650	193,016
6	General taxes	320,298		65,756	2,406	68,162
7	Interest on customer deposits	3,652		439	0	439
8	Income taxes	408,168		93,269	(5,228)	88,041
9	Amortization of investment tax credit	(8,253)		(2,008)	7	(2,001)
10	Total electric operating expenses	4,946,858		1,157,323	4,793	1,162,116
11	Operating income	\$1,024,564		237,133	(6,166)	230,967
12	Add: Customer growth adjustment				1,810	1,810
13	Income for return			\$237,133	(\$4,356)	\$232,777
14	Original cost rate base (b)			\$2,711,238	\$188,483	\$2,899,721
15	Rate of return on South Carolina retail rate base			8.75%		8.03%

Notes: (a) From Page 3, "Total adjustments" line.

(b) From Page 4, Line 11.

Line No.	Description	Total Company Capitalization		South Carolina Retail					
		June 30, 2008		Per Book Embedded		Pro forma Embedded			
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Cost/ Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Cost/ Return % (Col. 7)	Operating Income (Col. 8)
1	Long-term debt	\$5,999,756	45.00%	\$1,220,057	5.65%	\$68,933	\$1,304,874	5.65%	\$73,725
2	Preferred stock	0	0.00%	0	0.00%	0	0	0.00%	0
3	Members' equity	7,333,034	55.00%	1,491,181	11.28%	168,200	1,594,847	9.97%	159,052
4	Total	\$13,332,790	100.00%	\$2,711,238 (a)		\$237,133 (b)	\$2,899,721 (c)	(e) (f)	\$232,777 (d)

Notes:

(a) From Page 4, Line 11, Column 2.

(b) From Page 1, Line 13, Column 2.

(c) From Page 4, Line 11, Column 4.

(d) From Page 1, Line 13, Column 4.

(e) If adjusted for weather, this rate would be 9.37%.

(f) Excludes pre-tax non-firm wholesale sales profits for the total system of approximately \$70 million for the 12 months ended 06/30/08. A net of tax South Carolina Retail allocation of profits would amount to approximately \$11 million.

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To annualize depreciation on year-end plant					\$1,931			(\$753)		(\$1,178)
2	To annualize wage rate increases				\$3,936		\$746		(1,825)		(2,857)
3	To annualize property taxes on year end plant										
4	To reflect CWIP closings to plant						739		(288)		(451)
5	To adjust income taxes to reflect interest synchronization					6,174	1,176		(2,866)		(4,484)
6	To exclude Greenwood operations	(1,373)	(\$246)	(\$16)	(3,716)	(455)	(255)	\$0	(803)		803
7	Total adjustments	(\$1,373)	(\$246)	(\$16)	\$220	\$7,650	\$2,406	\$0	1,307	\$7	2,001
									(\$5,228)	\$7	(\$6,166)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric plant in service	\$23,579,032		\$5,528,358	\$189,519	\$5,717,877
2	Less: Accumulated depreciation and amortization	(11,029,399)		(2,497,592)	(8,105)	(2,505,697)
3	Net electric plant	12,549,633		3,030,766	181,414	3,212,180
4	Add: Materials and supplies	571,065		144,009	11,195	155,204
5	Working capital investment	820,354		194,154	0	194,154
6	Plant held for future use	3,347	31.4022%	1,051	0	1,051
7	Less: Accumulated deferred taxes	(1,861,198)		(532,866)	0	(532,866)
8	Operating reserves	(473,040)		(112,689)	0	(112,689)
9	Customer deposits	(61,041)		(13,187)	0	(13,187)
10	Greenwood				(4,126)	(4,126)
11	Total original cost rate base	\$11,549,120		\$2,711,238	\$188,483	\$2,899,721

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$11,782,752		\$2,634,620	\$130,459	\$2,765,079
2	Transmission	2,268,831	18.6287%	422,654	12,209	434,863
3	Distribution (b)	7,887,257	25.9924%	2,050,087	37,424	2,087,511
4	General	587,201	25.1031%	147,406	9,410	156,816
5	Intangible	<u>278,090</u>	24.8341%	<u>69,061</u>	<u>17</u>	<u>69,078</u>
6	Subtotal	22,804,131		5,323,828	189,519	5,513,347
7	Nuclear fuel	<u>774,901</u>	26.3943%	<u>204,530</u>		<u>204,530</u>
8	Total electric plant in service	<u>\$23,579,032 (a)</u>		<u>\$5,528,358</u>	<u>\$189,519</u>	<u>\$5,717,877</u>

Notes: (a) Excludes: Electric plant asset retirement obligation
Electric plant held for future use
Electric plant acquisition adjustment

\$435,531
\$3,347
\$284

(b) The accounting adjustment in Col. 3 represents
non-growth related additions to distribution plant.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$5,872,969		\$1,191,942	\$3,787	\$1,195,729
2	Transmission	1,061,363	18.5431%	196,810	844	197,654
3	Distribution	3,311,458		906,767	2,455	909,222
4	General	83,679	25.0174%	20,934	1,016	21,950
5	Intangible	<u>222,627</u>	24.7761%	<u>55,158</u>	<u>3</u>	<u>55,161</u>
6	Subtotal	10,552,096		2,371,611	8,105	2,379,716
7	Nuclear fuel	<u>477,303</u>	26.3943%	<u>125,981</u>		<u>125,981</u>
8	Total accumulated depreciation and amortization	<u>\$11,029,399 (a)</u>		<u>\$2,497,592</u>	<u>\$8,105</u>	<u>\$2,505,697</u>

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam production plant	4.20%
10	Nuclear production plant (excluding nuclear decommissioning)	1.97%
11	Hydro production plant	2.74%
12	Combustion turbines	3.09%
	Transmission plant:	
13	Right-of-way	1.41%
14	Other	2.81%
15	Distribution plant	3.11%
16	General plant	2.38% - 11.88%
17	Intangible plant	20.00%

Note:	(a) Excludes: Accumulated depreciation of electric plant asset retirement obligation	\$188,567
	Accumulated amortization of electric plant acquisition adjustment	\$165
	GAAP reclassification of accumulated depreciation of electric plant asset retirement obligation	(\$53,780)
	Other	\$82

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
	Fuel stock:					
					(a) & (b)	
1	Coal	\$173,439	26.3943%	\$45,778	\$10,236	\$56,014
2	Oil	34,324	26.3943%	9,060	959	10,019
3	Total fuel stock	207,763		54,838	11,195	66,033
4	Other electric materials and supplies and stores clearing	363,302	24.5445%	89,171	0	89,171
5	Total materials and supplies	\$571,065		\$144,009	\$11,195	\$155,204

Notes: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

Coal inventory target level (in tons)	2,867,440		
Price per ton - coal	\$74.01		
Total company pro forma inventory	\$212,219	26.3943%	\$56,014
Per book coal inventory			45,778
Coal adjustment			\$10,236

(b) Adjustment to per book oil inventory balance to reflect target inventory level.

Oil inventory target level (in gallons)	21,942,000		
Price per gallon - oil	\$1.73		
Total company pro forma inventory	\$37,960	26.3943%	\$10,019
Per book oil inventory			9,060
Oil adjustment			\$959

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve months operating and maintenance expenses, exclusive of purchased power and nuclear fuel expense	<u>\$3,005,168</u>		<u>\$737,436</u>		<u>\$737,436</u>
2	1/8 of O&M expenses on line 1	\$375,646		\$92,180		\$92,180
3	Less: Average taxes accrued	<u>(97,285)</u>		<u>(27,689)</u>		<u>(27,689)</u>
4	Subtotal	278,361		64,491	\$0	64,491
5	Required bank balances	392	23.8224%	93		93
6	Bond reacquisition premiums	97,420		15,787		15,787
7	Prepayments	444,181	25.6163%	113,783		113,783
8	Total working capital investment	<u>\$820,354</u>		<u>\$194,154</u>	<u>\$0</u>	<u>\$194,154</u>

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$1,443,992	24.4189%	\$352,607		\$352,607
2	Transmission	49,458	18.6287%	9,213		9,213
3	Distribution	122,646	25.9924%	31,879		31,879
4	General	37,229	25.1031%	9,346		9,346
5	Intangible	<u>138,703</u>	24.8341%	<u>34,446</u>		<u>34,446</u>
6	Total construction work in progress	<u>\$1,792,028</u>		<u>\$437,491</u>	<u>\$0</u>	<u>\$437,491</u>

Line No.	Description	
	12 Months Ended June 30, 2008	
1	SEC Fixed Charges Coverage	4.10
2	Earnings per Share	\$1.34

Line No.	Item	Total Company	Wholesale Jurisdiction	% of Total	N.C. Retail	% of Total	S.C. Retail	% of Total
1	Operating Revenues (\$000s)							
2	Residential	\$2,244,176			\$1,734,135	77.2727%	\$510,040	22.7273%
3	Commercial	\$1,811,124			\$1,423,770	78.6125%	\$387,355	21.3875%
4	Industrial	\$1,113,971			\$691,693	62.0926%	\$422,277	37.9074%
5	Public Street & Hghwy Lighting	\$33,527			\$28,707	85.6240%	\$4,820	14.3760%
6	Interdepartmental	\$0			\$0	0.0000%	\$0	0.0000%
7	Sales for Resale:							
8	Special Contract	\$388,738	\$258,853	66.5880%	\$125,482	32.2793%	\$4,403	1.1328%
9	Other	\$77,156	\$77,156	100.0000%				
10	Total Rev from Sales of Electr	\$5,668,692	\$336,009	5.9275%	\$4,003,787	70.6298%	\$1,328,895	23.4427%
11	Kilowatthour Sales (000s)							
12	Residential	27,613,413			21,049,373	76.2288%	6,564,040	23.7712%
13	Commercial	27,515,769			21,661,100	78.7225%	5,854,669	21.2775%
14	Industrial	23,550,162			14,035,527	59.5984%	9,514,635	40.4016%
15	Public Street & Hghwy Lighting	280,159			238,106	84.9899%	42,052	15.0101%
16	Interdepartmental	0			0	0.0000%	0	0.0000%
17	Sales for Resale:							
18	Special Contract	7,116,162	4,738,509	66.5880%	2,297,045	32.2793%	80,609	1.1328%
19	Other	1,779,864	1,779,864	100.0000%				
20	Total KWH Sales	87,855,529	6,518,373	7.4194%	59,281,151	67.4757%	22,056,005	25.1049%
21	Revenue Per KWH Sold (Cents)							
22	Residential	8.13			8.24		7.77	
23	Commercial	6.58			6.57		6.62	
24	Industrial	4.73			4.93		4.44	
25	Public Street & Hghwy Lighting	11.97			12.06		11.46	
26	Interdepartmental	0.00			0.00		0.00	
27	Sales for Resale:							
28	Special Contract	5.46	5.46		5.46		5.46	
29	Other	4.33	4.33					
30	Total Revenue per KWH Sold	6.45	5.15		6.75		6.03	